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*ceau formula dans la suite.* What could be more absurd to one familiar with the incident than the rendering "she was vaguely conscious of the 'lump' which M. Clemenceau put into words later on." When the translator meets a particularly happy or subtle turn of expression she adopts one of two equally faulty plans of action; she either translates with the stupid literalness of an indolent school girl, or she kills the sentence by an insipid paraphrase. The English edition possesses a single advantage among all its drawbacks, it contains really fine portraits of the eminent men of the period, while the French original is not illustrated.

JAMES HARVEY ROBINSON.

*Columbia University.*

*The Bargain Theory of Wages:* A Critical Development from the Historic Theories, together with an Examination of Certain Wages Factors: the Mobility of Labor, Trade Unionism and the Methods of Industrial Remuneration. By JOHN DAVIDSON, M.A., Ph.D., Professor of Political Economy in the University of New Brunswick. Pp. viii, 319. Price, \$1.50. New York and London: G. P. Putnam's Sons, 1898.

The purpose of this book, says its author, is to furnish a text-book for advanced students. It "is the outcome of the attempts of the writer, during five years, to analyze the wages question, historically as well as theoretically." He makes claim to having reached in the Bargain Theory a satisfactory reconciliation of the important previous theories.

The historical development of the theory of wages is summed up in three systems, the Subsistence Theory, the Wages-Fund Theory and the Productivity-of-Labor Theory. The general thesis is maintained that each of these attempts to explain wages is founded upon conditions actually existing at the time when the theory prevailed and that therefore all three theories are relatively true. But the writer finds it no less true that each of the three theories is incomplete. Hence the need for a synthesis—the result of which is the Bargain Theory.

Under the title Subsistence Theory are grouped the "Theory of Natural Wages, the Ricardian Theory, the Iron Law of Wages, the Standard-of-Comfort Theory and the Doctrine of a Living Wage." The truth in this theory was in emphasizing the fact that there was a minimum below which wages could not fall and industry continue. Its inadequacy is shown in its failure to explain why market wages remain often above this minimum.

The essential doctrine of the wages fund theory was that "wages

depended at any moment on the proportion of the amount of food or capital to the number of laborers in the community." This, he says, is but an easy step from the subsistence theory. The pessimistic probability of the latter, when the Malthusian point of view is taken, is transformed into an optimistic possibility. Instead of grinding pressure toward the physical minimum-of-subsistence wage, there exists a possible plenty for the laborer through the growth of capital. The scientific truth of this theory, Professor Davidson declares, is in the fact that the source and limit of *real* wages are found in the amount of existing consumable commodities—an amount pre-determined. Its weakness is in its presentation of wages as directly limited by the amount of money set apart by the employer for the payment of wages—which is not a fact at all.

Perhaps the strongest chapter in the book is the one dealing with the Productivity-of-Labor Theory, a chapter of high critical merit. The conclusion reached is that while high wages and high efficiency go together as a rule it cannot be shown that the efficiency is the direct cause and accurate measure of the high wages. Distributive return is by no means proportionate to productive contribution.

The synthesis of these theories is accomplished in the following way: "The subsistence theory is . . . a theory of the supply price of labor. . . . The productivity theory amounts to an unqualified assertion of the demand price as the determinant of wages. . . . The wages-fund theory is a reconciliation of these two theories," but its "fundamental error consists in treating both supply and demand as fixed quantities."

The truth is, however, that neither supply nor demand is fixed, but the "price of labor is determined somewhere between two estimates placed upon it—the estimate of the employer and the estimate of the laborer." The laborer's estimate is based upon the interaction of the two forces, utility and disutility of labor to him, while the employer's estimate depends on the indirect utilities afforded by the discount value of the product of the labor. In the fixing of these two estimates, the minimum and the maximum limits of wages, the previous theories all find a partial justification.

The actual determination of wages between these limits depends on the relative strength of the laborer and employer as bargainers. This relative strength in bargaining is the result of many conditions.

Most of the contentions of the author in regard to the determination of wages within these limits may be granted. But the doubt still sticks whether they make any vital contribution to the theory of wages.

What the author calls the Bargain Theory of Wages seems to deal with superficial forces, incidents which at the moment simply determine this or that minor movement in the rate of wages. The radical industrial forces, like the cost of subsistence and the efficiency of labor which furnish the basis of the older theories, are of far greater importance. The reconciliation between these older theories which Professor Davidson attempts is, after all, only on the surface.

In making this attempt, however, he has constructed a suggestive and enlightening review, at once historical and critical, of the development of the theory of wages. The chapters on mobility of labor and trades unions which follow the treatment of the main plan are excellent and bring out with admirable clearness the essential complexity of the wages problem.

The book, moreover, abounds in suggestion and comment, based on experience and observation of the concrete facts of common economic life. In the hands of an alert and thoughtful teacher it will prove an excellent text-book.

SIDNEY SHERWOOD.

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*Select Documents Illustrative of the History of the United States, 1776-1861.* Edited with Notes by WILLIAM MACDONALD, Professor of History and Political Science in Bowdoin College. Pp. xiii, 465. Price, \$2.25. New York and London: The Macmillan Company, 1898.

The great change which has taken place in the methods of teaching history within recent years, not only in the leading universities and colleges, but also in the secondary schools, and which is reflected in the conferences and reports of various educational and historical associations, has awakened a growing demand for modern text-books and convenient collections of the "sources." The recent report of the Committee of Seven of the American Historical Association emphasized the importance of the judicious use of the sources as illustrative material, for the purpose of "vivifying and vitalizing" the period studied. All progressive teachers must already have realized for themselves the peculiar force of this recommendation as applied to the study of American history, hence they will welcome Professor MacDonald's collection of documents, the latest addition to the rapidly increasing library of sources.

This work does not supplant, but for the most part supplements, the collections already published. A comparison with the two chief hand-books of sources in American history will make this